



# At a Glance

## Why We Did This Audit

The U.S. Environmental Protection Agency's (EPA's) Office of Inspector General (OIG) received a hotline complaint alleging that EPA Region 10 mismanaged its biweekly pay cap waiver process. The biweekly pay cap may be waived for General Schedule employees who get premium pay while conducting work designated as emergency. The objective of this audit was to determine whether Region 10's process met federal requirements and complied with established agency policies and procedures.

The EPA was updating its biweekly pay cap policies and procedures during the course of our audit. We published a management alert (Report No. [17-P-0355](#)) so the agency could take issues noted into consideration as it drafted updates.

### This report addresses the following:

- *Compliance with the law.*
- *Operating efficiently and effectively.*

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Listing of [OIG reports](#).

## *Inconsistencies With EPA Policy Identified in Region 10's Biweekly Pay Cap Waiver Process*

### What We Found

Our audit disclosed that Region 10's process for approving biweekly pay cap waivers was not consistent with agency policy. Of the 61 instances with valid pay cap exceedances noted during fiscal years 2015, 2016 and 2017 (through January 7, 2017), we determined that 25 instances required waivers. We found that some waivers lacked adequate information to determine whether there was an emergency.

However, Region 10 provided supplemental documentation to support the determination that an emergency existed. Further, while all waiver requests were approved by the Region 10 Regional Administrator as required, none of the requests were approved by the Region 10 Human Resources Officer as required by EPA policy.

**We identified issues with documentation and review of biweekly pay cap waivers at Region 10, resulting from a lack of an internal policy or process. Region 10 recently issued a new procedure that addresses our concerns.**

In addition to the 61 instances with valid waivers, we found three instances where Region 10 could not locate waiver requests to support the exceedances. Without a waiver, we were unable to determine whether the overtime incurred pertained to an emergency. The three instances resulted in payments of \$2,355.39, which exceeded the biweekly pay cap.

Inconsistencies occurred because Region 10 did not have the needed internal policy or process in place. As a result, Region 10 employees may have been overpaid or paid for work that did not meet the definition of an emergency under 5 U.S.C. § 5547. On September 7, 2017, Region 10 issued a new biweekly pay cap waiver standard operating procedure that addresses the inconsistencies with agency policy that we noted.

We also identified inconsistencies and a lack of accountability over the processing of Region 10's waivers within the EPA headquarters' Office of Administration and Resources Management and Office of the Chief Financial Officer. The agency indicated it is in the process of updating its biweekly pay cap waiver policies and procedures, which should resolve the OIG's concerns.

No recommendations are being made because pertinent policies and procedures were implemented by Region 10 during the audit.

### Agency Response and OIG Comment

Region 10 requested that the dollar amount of the three instances without waivers be included to provide a better perspective on potential payments in excess of the biweekly pay cap. We updated the report to include the total of these payments.